

Azets Group secures investment from PAI Partners to join Hg and support next phase of growth

Azets Group (“the Group”), a leading provider of business-critical accounting, tax, payroll, audit and advisory services to SMEs, has announced today that PAI Partners (“PAI”), a pre-eminent private equity firm, has joined the business as a new investor. Following completion, PAI will hold an equal and co-controlling stake in Azets alongside current owners Hg, a leading investor in European and transatlantic software and services businesses.

Azets was formed by Hg six years ago, in response to the growing digitalisation of financial compliance processes for SMEs. Since then, the Group has grown significantly to become one of the largest tech-enabled providers of professional advisory, financial and accounting services to SMEs globally.

Azets continues to benefit from the broader trend of SMEs outsourcing non-core and non-discretionary services, as well as the highly fragmented nature of the sector. The business has acquired more than 90 local providers since inception. Today, Azets’ 7,600 professionals support over 93,000 clients and generate revenues of approximately £700 million.

Azets is now backed by two leading private equity investors: PAI, with its deep sector expertise in Business Services, and Hg, with its longstanding heritage in software and services investing. Both investors have a strong track record of partnering with management teams to rapidly scale businesses and create global industry leaders.

With this support, Azets is well placed to continue its successful growth strategy, deepening its presence in new and existing markets across Europe through a combination of organic growth and further strategic M&A.

Chris Horne, Group Chief Executive Officer at Azets, said: “Azets has established a strong reputation for delivering innovative tech-enabled services in what has previously been a low-tech adoption sector. Our five-year Pathway strategy outlines a clear purpose and vision of how we want our business to develop, and we are thrilled to have selected two investors who are as excited about our future as we are. To gain backing from another world-class investor is testament to this evolution and will enable us to deliver on future opportunities that will help us scale and support our thousands of clients and colleagues globally.”

Colm O’Sullivan, a Partner at PAI Partners, said: “With its proven and resilient business model, Azets provides a strong platform for future growth. Thanks to its leading market positioning, the firm is well placed to benefit from the growing levels of compliance, regulation and outsourcing that underpin its core services market. We look forward to partnering with the management team and Hg in this next phase of Azets’ growth.”

Matthew Brockman, Managing Partner at Hg, said: “We are delighted to have reached this milestone with Azets. From the original vision, we have built a world-class company using our deep knowledge of this sector and considerable operational capabilities in building software and services companies. This transaction allows us to return significant capital to our investors, a huge priority for us in the last year, while bringing on substantial new expertise from a strong partner and retaining a substantial interest in the next leg of growth for Azets.”

Completion is subject to customary regulatory approvals.

Hg and Azets management were advised by JP Morgan as lead adviser, Jefferies, Alpha Advisory, Skadden, EY, Deloitte and OC&C. PAI Partners was advised by Deutsche Bank, Freshfields, KPMG, Alvarez & Marsal and Bain & Company.

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About Azets

Azets is an international outsourcing, compliance, and advisory group. Our 7,600 smart talented people support 93,000 clients through our network of 189 offices in the Nordics, UK, and Ireland.

We provide trusted advice and personalised client services across accounting, tax, audit, advisory, people, and technology, saving companies and business owners precious time, so they can focus on achieving their ambitions.

We exist to improve the lives of our colleagues, clients, and communities, in a sustainable way. And everything we do is underpinned by our investments in people and technology.

Our proprietary digital workplace technology, Azets Cozone, is a unique cloud-based portal giving SMEs instant access to information about their business that simplifies workflows, increases operational productivity, and supports a more productive client relationship.

Blick Rothenberg, London's award-winning international corporate and private tax and accounting brand, and Nordic-based companies Karabingruppen, Legeregnskap, Luotsi Isännöinti, and Idur are all a part of Azets.

Azets is a member of Allinial Global, the member-based association dedicated to the success of independent accounting and consulting firms.

Fine out more at www.azets.com.

About PAI Partners

PAI Partners is a pre-eminent private equity firm investing in market-leading companies across the globe. It manages c. €25 billion of dedicated buyout funds and, since 1994, has completed 97 investments in 12 countries, representing over €70 billion in transaction value. PAI has built an outstanding track record through partnering with ambitious management teams where its unique perspective, unrivalled sector experience, and long-term vision enable companies to pursue their full potential - and push beyond. Learn more about the PAI story, the team and their approach at: www.paipartners.com.

About Hg

Hg support the building of sector-leading enterprises that supply businesses with critical software applications or workflow services, delivering a more automated workplace for their customers.

This industry is characterised by digitisation trends that are in early stages of adoption and are set to transform the workplace for professionals over decades to come. Hg's support combines deep end-market knowledge with world class operational resources, together providing compelling support to entrepreneurial leaders looking to scale their business – businesses that are well invested, enduring and serve their customers well.

With a vast European network and strong presence across North America, Hg's 400 employees and \$65bn in funds under management support a portfolio of more than 45 businesses, worth over \$120 billion aggregate enterprise value, with over 100,000 employees, consistently growing revenues at more than 20% annually. If you'd like to see more, check Hg out at www.hgcapital.com.